In the Matter of the Application of San Diego Gas & Electric Company (U 902 G) and Southern California Gas Company (U 904 G) for Authority to Integrate Their Gas Transmission Rates, Establish Firm Access Rights, and Provide Off-System Gas Transportation Services.

Application 04-12-004 (Filed December 2, 2004)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rules 8.2, 8.3 and 8.5 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) and State of California, Department of General Services, Natural Gas Services (DGS), and the Southern California Generation Coalition (SCGC) give notice of the following *ex parte* communication in this proceeding. The *ex parte* meeting was initiated by Norman Pedersen representing the Southern California Generation Coalition.

At 2:30 p.m. on November 14, 2006 in Room 5100 at the San Francisco office of the CPUC, Mr. Pedersen and Sandra McCubbin representing SCGC, Robert Pocta, Pearlie Sabino, Robert Kinosian and Diana Lee, representing DRA, and Marshall Clark and Henry Nanjo representing DGS, met with Andy Campbell, advisor to Commissioner Rachelle Chong.

The communication was oral. Mr. Pocta and Ms. Lee explained that DRA opposed both the Proposed Decision (PD) and Alternate Proposed Decisions (APD) to implement the Firm Access Rights (FAR) proposal of Southern California Gas Company and San Diego Gas and Electric Company to, because FAR is unnecessary, unduly complex, would decrease customer flexibility, increase costs, and is opposed by a wide variety of customer groups and other market participants because of the increased risk and lack of corresponding benefits offered by FAR.

Mr. Clark and Mr. Nanjo explained that the FAR proposal in the PD and APD would be especially difficult for DGS, because it would layer increased complexity and decreased customer flexibility over existing state contracting rules.

Mr. Pedersen explained that the FAR proposal conflicts with the State's policies for reducing green house gas (GHG) emissions and it would make transportation of gas more expensive and difficult.

Copies of this Notice may be obtained by contacting Sue Muniz at (415) 703-1858 or sam@cpuc.ca.gov.

Respectfully submitted on Behalf of Southern California Generation Coalition, Department of General Services, and Division of Ratepayer Advocates,

HENRY D. NANJO

Attorney for the State of California Department of General Services Natural Gas Services 707 3rd Street West Sacramento CA 95605

Telephone: (916-376-5113 Facsimile: (916) 376-5066

Email: Henry.Nanjo@dgs.ca.gov

NORMAN A. PEDERSEN, ESQ.

Hanna and Morton L.L.P. 444 S. Flower Street, Suite 1500 Los Angeles, CA 90071-2916 Telephone: (213) 430-2510 Facsimile: (213) 623-3379

E-mail: npedersen@hanmor.com

/s/ DIANA L. LEE

Diana L. Lee

Attorney for the Division of Ratepayer Advocates California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102 Phone: (415) 703-4342

Fax: (415) 703-4432 Email: dil@cpuc.ca.gov

November 17, 2006

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of "NOTICE OF EX PARTE COMMUNICATION" in A.04-12-004 by using the following service:

[X] **E-Mail Service:** sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

[] **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on November 17, 2006 at San Francisco, California.

/s/ HALINA MARCINKOWSKI
Halina Marcinkowski

NOTICE

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or email address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

CALIFORNIA PUBLIC UTILITIES COMMISSION Service Lists A0412004 - SDG&E AND SOCAL GAS

keith.mccrea@sablaw.com douglas.w.rasch@exxonmobil.com steve.koerner@elpaso.com pesposito@cbcatalysts.com Ned.Greenwood@questar.com randy.gabe@swgas.com bmusich@semprautilities.com dgilmore@sempra.com dhuard@manatt.com rkeen@manatt.com nwhang@manatt.com npedersen@hanmor.com asteele@hanmor.com henry.weissmann@mto.com akornicks@kernoil.com douglass@energyattorney.com liddell@energyattorney.com klatt@energyattorney.com case.admin@sce.com douglas.porter@sce.com gloria.ing@sce.com walker.matthews@sce.com amsmith@sempra.com wrapp@sempra.com wtobin@sempraglobal.com snelson@sempra.com jleslie@luce.com thaddeus thomson@oxy.com marcel@turn.org mzafar@semprautilities.com mflorio@turn.org ek@a-klaw.com sls@a-klaw.com sdhilton@stoel.com astein@whitecase.com jkarp@winston.com FRL3@pge.com kts1@pge.com bcragg@gmssr.com mday@gmssr.com

chrishilen@dwt.com
wbooth@booth-law.com
patrickm@crossborderenergy.com
tomb@crossborderenergy.com
matt@bradylawus.com
Henry.Nanjo@dgs.ca.gov
dkk@eslawfirm.com
glw@eslawfirm.com
jdh@eslawfirm.com
egw@a-klaw.com

Robert.Foss@PPMEnergy.com dws@r-c-s-inc.com ipower@reliant.com ralph.dennis@constellation.com ghinners@reliant.com Kelly.Allen@crosscountryenergy.com anita.hart@swgas.com robert.pettinato@ladwp.com rcavalleri@semprautilities.com nwhang@manatt.com curtis.kebler@gs.com raza.lawrence@mto.com sendo@ci.pasadena.ca.us slins@ci.glendale.ca.us bjeider@ci.burbank.ca.us roger.pelote@williams.com Michael.Alexander@sce.com burkee@cts.com asullivan@sempra.com ygross@sempraglobal.com mmilner@coral-energy.com centralfiles@semprautilities.com ofoote@hkcf-law.com ekgrubaugh@iid.com bruce.foster@sce.com filings@a-klaw.com qli@aspeneg.com kjbh@pge.com lcr0@pge.com placourciere@thelenreid.com epoole@adplaw.com cem@newsdata.com jarmstrong@gmssr.com cpuccases@pge.com

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d2mr@pge.com Joe.paul@dynegy.com kowalewskia@calpine.com ceyap@earthlink.net mrw@mrwassoc.com e-recipient@caiso.com jsanders@caiso.com cpucrulings@navigantconsulting.com gpickering@navigantconsulting.com ahartmann@lspower.com mlgillette@duke-energy.com karen@klindh.com david white@transcanada.com agc@cpuc.ca.gov beg@cpuc.ca.gov dil@cpuc.ca.gov jnm@cpuc.ca.gov jsw@cpuc.ca.gov jab@cpuc.ca.gov alf@cpuc.ca.gov kcl@cpuc.ca.gov ltc@cpuc.ca.gov pzs@cpuc.ca.gov rxr@cpuc.ca.gov ram@cpuc.ca.gov rmp@cpuc.ca.gov bwood@energy.state.ca.us

kglick@energy.state.ca.us

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